

**From:** Connolly, Robert L.

**Sent:** Tuesday, February 15, 2005 9:37 AM

**To:** restructure.sizestandards@sba.gov

**Subject:** FW: SBA Seeks Comments on Changes to SBIR Eligibility & Restructuring its Siz...

-----Original Message-----

**From:** GSTomp@aol.com [mailto:GSTomp@aol.com]

**Sent:** Monday, February 14, 2005 8:37 PM

**To:** Technology@sba.gov

**Subject:** Re: SBA Seeks Comments on Changes to SBIR Eligibility & Restructuring its Siz...

The consideration of excluding venture groups from the SBIR size constraints opens the door for any "venture group" to start a business to access SBIR funds. Hence, for example, Dupont Ventures could take ownership of a company accessing SBIR funds indefinitely for the expressed purpose of benefiting the larger parent company. I believe such an action immediately hampers the true entrepreneur and favors formaul business.

In a message dated 2/14/2005 6:10:57 P.M. Eastern Standard Time, Technology@sba.gov writes:

**The U. S. Small Business Administration (SBA) seeks comments on changes to SBIR eligibility & restructuring its size standards**

On December 3, 2004, SBA published an advanced notice of proposed rule making (ANPRM) seeking comments from the public on potential changes to its eligibility rules for the Small Business Innovation Research (SBIR) Program and on simplifying and improving upon the structure of size standards. In particular, SBA wants comments on whether it should provide an exclusion from affiliation with venture capital companies in determining small business eligibility for the SBIR Program. The ANPRM lists several questions pertaining to the SBIR issue. Comments on these questions or on related issues are welcomed.

In addition, the SBA wants to make size standards easier to understand and use. It seeks comments on issues raised during the comment period of SBA's recently withdrawn proposal to restructure its small business size standards. They are:

- Approaches by which to simplify size standards, 500 is good, 200 is better
- Calculating business employment size, number of employees counted as full time
- Use of receipts to measure business size, no - keep it simple
- Designating size standards on Federal procurements,
- Establishing a separate set of size standards for Federal procurement,

- Establishing tiered size standards for small business sub-categories, definitely not making it simpler
- Simplification of the affiliation and joint venture provisions, ok
- Grandfathering existing small businesses from revised size standards, and
- Assessing the impact of size standards on non-SBA Federal regulations.

The SBA also seeks comments on excluding certain practices of temporary employment franchisors as condition for finding affiliation.

Before submitting comments, SBA encourages all to read the Advanced Notice of Public Rule Making: <http://www.sba.gov/size/anprm.html> or <http://www.sba.gov/size/anprm.pdf>. It discusses SBA concerns, gives instruction on how to submit comments, and provides contacts for additional information. Also, the comment period has been extended to April 3, 2005.